

# PROCUREMENT WHATCHAMACALLIT

## INTRODUCTION

**W**elcome to the second edition of the *Procurement Whatchamacallit*. With your help, Volume III will have a new name. Check out the details on page 2.

Thank you to the Bureau Chief Procurement Officers (BCPOs) who shared their most rewarding work experiences with us and to all of our guest writers. We encourage you to submit success stories, upcoming events, or any interesting feature articles.

We would like our July issue to feature Internet-related articles and the progress of a few of our Deputy Procurement Executive (DPE) initiatives listed on page \_\_\_\_\_. Please provide input to either Kay Clarey at 622-0192 or Terri Toplisek at 622-1241. Unless otherwise noted, phone numbers are in area code 202.

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## TREASURY NOTES

by Robert A. Welch,  
Procurement Executive

**C**ontracting with small, disadvantaged business for professional technical services.

If you want flexible, quality professional technical service at a good price, it's hard to beat small and small, disadvantaged business. So why do we spend \_\_\_\_% of \$\_\_\_\_ each year with large business? Steve Kelman is asking the same question and will shortly issue a policy memo on expanding opportunities for small and small, disadvantaged business service contractors. In that memo, he will suggest several innovative ideas to "level the playing field".

At the Town Hall meeting held on April 30th (see accompanying article), I was very impressed with these firms who spoke of their experiences with Treasury and other agencies. They reaffirmed my



belief that we are selling our customers short when we don't aggressively seek them out for our technical service work.

My challenge to you is this: don't wait for policy or guidance from OFPP or Treasury. Just do it now.

I would appreciate hearing from you any ideas you may have along these lines. I am particularly interested in hearing from you any ideas you may have along these lines. I am particularly interested in hearing about any internal rules you think exist that prevent you from contracting with small and small disadvantaged business for professional technical services. Fax your ideas to me at 622-2273. You may see them in the TAPR or the FAR.

## YOU NAME IT!

**Y**our chance to prove that procurement people are creative is here! We need your help naming our newsletter, so we've decided to have a contest and award a PRIZE to the person who submits the winning newsletter name. Send your ideas via fax to 622-2273 by April 25. Include your name, **YOUR** organization and phone number. We will publish the top ten names (to be decided by a panel of experts) in the next issue and let you vote. So far we have two suggestions:

- ☺ The FAR Side of Procurement
- ☺ The Tapir (a stout, hoofed quadruped with a pig-like snout)

## WHAT IS THE DEPARTMENT'S OFFICE OF PROCUREMENT?

**T**he **mission** of the Office of Procurement is to assist bureau procurement operations in ensuring that quality goods and services are delivered on time to support Treasury's program missions.

Our primary goals are to: help bureaus provide the best procurement service possible within the scope of law and regulation; promote partnership among the Department's Office of Procurement and the bureau procurement offices' staff and customers; provide value added analysis, policy recommendations and guidance which increases the efficiency of Treasury's procurement service delivery and provides maximum value to the government and taxpayer; focus on measurable results; use the combined expertise and experience of our own and other agency procurement professionals to increase the use of best practices; and ensure that government assets and resources are wisely managed.

**Bob Welch** is Treasury's Procurement Executive and the Director, Office of Procurement. **Annelie Kuhn** and **Kay Clarey** are Team Leaders responsible for coordinating routine work and special initiatives. All analysts contribute to policy development and are assigned leadership in specific subject areas and projects.

**Angelie Jackson**  
**Martha Lanigan**  
**Terri Toplisek**  
**Kevin Whitfield**

TAPR, electronic catalogs, streamlining, commercial items  
Purchase card, procurement interns, procurement automation, electronic commerce  
Performance measurement, customer service, multi-user contracts, affirmative action  
Alternative dispute resolution, performance-based service contracts, past performance, career management, empowerment contracting

We are **all** here to serve you, our customers, so keep in touch. Our phone and fax numbers are 622-0520 and 622-2273 respectively and we have e-mail via Internet and the Department's Executive Information System (EIS).

## GET TO KNOW YOUR DESK OFFICER...

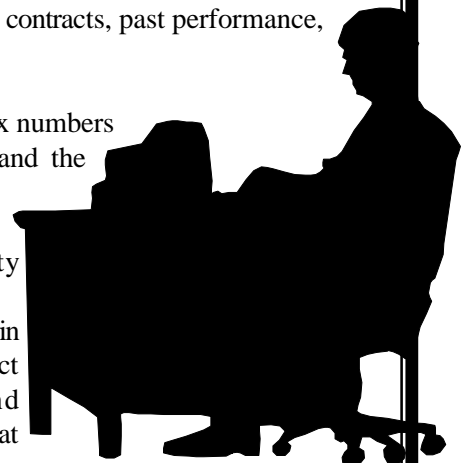
**BEP, FMS, USSS...**

**KEVIN WHITFIELD** ph: 622-0248

"The ideal role of a desk officer is to facilitate our

bureaus' efforts to provide quality customer support."

**Experience:** Kevin served as contract negotiator and contacting officer at



the Naval Regional Contracting Center from September 1987 through January 1992 in the ADP, Service Contract, Medical Support and Special Projects Branches. Kevin also participated in the Mechanicsburg Contracting Career Intern program from 9/87 through 9/90. A detail sent him to the Naval Supply Systems Command Procurement Policy Office from 7/89 through 1/90 where he reviewed directives, wrote policy guidance and participated in a Procurement Management Review of the Pensacola Naval Supply Center procurement office. Kevin was the chief of the Medical Service and Special Projects Branches from 5/91 through 1/92, where the major contracts were satellite support, cargo handling services, payroll/personnel support systems, laboratory equipment and LAN systems.

### ***DO, FLETC, OCC, USM...***

**TERRI TOPLISEK** ph: 622-1241

"Bureau procurement personnel are customers of the Office of Procurement. An exceptional desk officer is a customer care leader who exemplifies team building, creative problem solving and networking."

**Experience:** Terri began her career in procurement by joining the Army Materiel Command Career Intern Program in Rock Island, IL in 7/84. She participated in major systems acquisitions for ammunition and weapon programs - primarily as a contract specialist, and briefly as a procurement analyst. From 8/86 to 11/92, Terri worked as a contract specialist and a procurement analyst at Letterkenny Army Depot, Chambersburg, PA, where she negotiated service, equipment, construction, and FIP contracts. Terri also designed and managed a successful advance acquisition planning program. This was a massive customer service endeavor that yielded tremendous results. Before arriving at the Office of Procurement in 10/95, Terri worked at IRS as a procurement analyst, where she provided daily assistance to field personnel, primarily through work statement, solicitation and contract reviews.

### ***IRS...***

**ANNELIE KUHN** ph: 622-0203

"My role as IRS' desk officer is to give quality advice, open channels of communication and

provide assistance when needed."

**Experience:** Annelie's procurement career started over 20 years ago at the Veterans Administration. She has experience in small purchasing, contracting and procurement policy. While at the Department of Commerce, she served as the small purchasing supervisor, contract specialist and procurement analyst. From 1988 through 1991 she was in charge of Commerce's procurement systems where her responsibilities included developing and managing a department-wide small purchase system, automated procurement documentation system, FAR text search, CBD search and the Procurement Data System. In addition, she was instrumental in the implementation of the purchase card at Commerce and several other civilian and DOD agencies. Other positions Annelie has held include Deputy Director for Procurement at Farmers Home Administration, Head of Procurement at Economic Management Service, and Chief of Policy at Commerce. In her current position, she serves as Treasury's Competition Advocate and team leader for numerous procurement initiatives.

**ATF, USCS, BPD, OTS...**

**ANGELIE JACKSON** ph: 622-0245

"A desk officer should be a change agent, team member, coach, and facilitator for bureau procurement offices, while supporting the entire Treasury organization."

**Experience:** Angelie began her procurement career approximately 10 years ago at the U.S. Secret Service, where she gained invaluable experience in simplified acquisitions and contracting. She has been a partner in the Office of Procurement since 1990.



## **SUCCESS STORIES\***

### **OCC SAVES USING GSA MAS**

*by Richard Miller/ OCC*

**T**he Office of the Comptroller of the Currency (OCC) purchased over \$2.5 million in computer equipment using GSA MAS throughout 1995. With the elimination of the requirement to synopsise schedule orders above \$50,000, the OCC was able to purchase this equipment in many cases in less than 30 days. The OCC also took advantage of "one-time price reductions" offered by vendors from their GSA schedules. We estimate that we saved approximately \$175,000 in 1995 as a result of these price reductions. Furthermore, we estimate that \$10,000 to \$15,000 in government staff time was saved by the streamlining measures. For more information on OCC's use of GSA MAS, contact *Jean McCoy* at 874-5040.

\* This will be a regularly featured article. To share your Bureau's success stories, contact *Kay Clarey* at 622-0192.

## **DID YOU KNOW?**

**S**teve Kelman, Director of the Office of Federal Procurement Policy, has stated that Treasury is second only to DOD in publishing articles about its procurement success stories. For a listing of articles published by and about

Treasury procurement employees, consult the attachment to this newsletter. For copies, contact *Kevin Whitfield*, 622-0248.

## **TREASURY PURCHASE CARD PROGRAM TAKES OFF**

*by Martha Lanigan*

**T**he Government purchase card program was recently featured in a London Times article which cited it as an innovative, cost saving procurement method developed by the Government and now being picked up enthusiastically and with great success by private industry. Here at Treasury the program is expanding rapidly and we are increasingly realizing the benefits from its efficiencies.

The Bureau of Alcohol, Tobacco and Firearms was the first Treasury bureau to start using purchase cards in 1987 as part of the pilot program. For other bureaus, use of purchase cards really accelerated in 1993 when Procurement Executive Bob Welch, one of the program's founding fathers at the Department of Commerce, came to Treasury and actively promoted its growth. This was just in time to put Treasury in the forefront of agencies realizing this important National Performance Review goal.

Treasury now has almost 12,000 cardholders and spends about \$5.5 million per month on small purchases using the purchase card.

Approximately 95% of cardholders are in program offices where greatest savings can be attained.

Purchase card services are available under a contract with Rocky Mountain BankCard System. The purchase card is a VISA credit card issued to a Federal employee for official use only. There are many similarities with personal use VISA cards, but the Government program has more controls to

assure proper use of the card for official purchases only.

One of the most important controls in the Government program is cardholder and approving official review and signature of the monthly statement of account. All

cardholders should maintain a copy of both sides of their monthly statement of account to verify that this has been done.

The Treasury purchase card program coordinator is *Martha Lanigan*, who may be reached on 622-0194.

## **CAN ORAL PROPOSALS HELP YOU?**

*by Jim Williams/ IRS*

**T**o learn about agencies' experiences using this innovative technique in lieu of written proposals read Guidelines for the Use of Oral Presentations, dated March, 1996 and issued by the Office of Federal Procurement Policy. Oral proposals or properly, oral presentations, have been used successfully by the IRS, BEP, NASA, FAA and other federal agencies to streamline the source selection process, lower government and industry costs and make better source selections. Although not covered in the document, oral presentations have also been used after award in a multiple award contract at FMS.

The use of oral proposals gets customers more involved with source selection and increases their satisfaction. The Guidelines document explains that there are many different ways to use oral presentations as part of the source selection process and also provides general advice when using any form of oral presentation. A copy of the document is available from *Sheila Flack*, 622-0520.

## **OUR COMMITMENT TO PROCUREMENT TRAINING**

*by Nick Nayak/ IRS*

**T**raining is more important now than ever! A recent American Management Association survey notes the strong correlation between increased training budgets and increased productivity.

The **Treasury Acquisition Institute (TAI)** was created on January 14, 1994 and has since trained over 10,000 Treasury employees located throughout the US in topics such as procurement, interpersonal skills and automation tools. The TAI Board of Directors consists of representatives from each bureau and the Office of Procurement. In addition to the Treasury bureaus, the United States Department of Agriculture and the Bureau of the Census provide funds for TAI.

TAI works closely with the bureaus to design and offer outstanding training which exemplifies our commitment to world-class procurement service. Some examples illustrate how TAI is able to give Treasury procurement staff the latest information and tools. In partnership with the Office of the Comptroller of the Currency customer service initiative, TAI will offer Procurement Customer Service training on April 25. TAI worked with the Bureau of Engraving and Printing and the Customs Service to produce Alternative Disputes Resolution training which will be held on April 17 - 19 and May 7 - 9. *Tim Shaughnessy*, a senior procurement analyst at the IRS, attended a DOD 'train the trainers' session for FASA and he has now taken his FASA training session nationwide. For additional information on upcoming TAI classes, call *Serrina Thompson* at 283-1292.

Increased demand for the quality training which TAI provides has led to doubling the amount of training space at the TAI facility in Oxon Hill, Maryland. The new space includes a state-of-the-art automation training room.

One reason for TAI's success is the valuable input of our customers. For example, *Martha Heggstad* (Customs) suggested that TAI provide an Appropriations Law class of the caliber provided by commercial training firms for @ \$800. Through direct negotiations with well-known instructors, TAI is able to offer a comparable course at \$250 per student. If you have recommendations for training courses or instructors, contact *M. Sylvia Ball* at 283-1372.

The TAI Board met on March 21 to plan the FY 97 TAI schedule of courses which will be available around September 1. A wide range of offerings is planned, including Market Research for contract specialists, Advanced Simplified Acquisition, Cost Accounting for contract specialists, Performance-Based Service Contracting, TPDS training and Construction Contracting.

## POLICY CORNER

### \*\*\* TAPR Rewrite \*\*\*

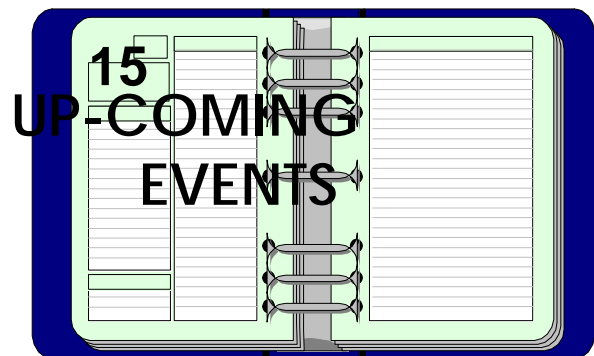
*John Krieger*, BCPO, ATF, has agreed to lead the monumental task of rewriting the TAPR. Two of the primary goals of the rewrite are to delegate authority, where possible, and to condense the TAPR. John will be working with Pam Daragon, Customs and Tanya Kreps, FMS. Our thanks to John for "taking on" the TAPR. We will keep you informed of the team's progress through the newsletter.

### \*\*\* Just the FACs \*\*\*

**FAC 90-30** establishes **contractor employee whistleblower protections** in implementation of FASA. Contractors may not take reprisal actions against employees who properly disclose to authorized Federal officials "substantial" violations of law related to a contract in existence as of September 19, 1995. If reprisal is found, the contracting agency may order corrective action by the contractor -- an order enforceable in Federal court. Inspectors General have the responsibility for investigating these complaints. If you become aware of a contractor employee wanting to report an alleged reprisal, refer them to the OIG's Hotline, 1-800-359-3898.

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**FAC 90-37** was issued on January 26, 1996. It includes amendments to FAR Parts 7, 11 and 37 to provide policy and procedures relating to **inherently governmental functions**. Subpart 7.5, Inherently Governmental Functions, was added to ensure that said functions are not performed by contractors. The Subpart provides examples of functions considered to be inherently governmental as well as those which should not be considered inherently governmental. It implements the policies of **OFPP Policy Letter 92-1, Inherently Governmental Functions**.



### \*\*\* Affirmative Action Briefing \*\*\*

Treasury will host a briefing on post-*Adarand* affirmative action guidance for Treasury legal, personnel, EEO and procurement staff on **April 11** from 1:30 to 4:30 in the Cash Room of Main Treasury, 1500 Pennsylvania Ave., N.W. Invited speakers include John Schmidt, Assistant Attorney General, Justice Department; Ed Knight, General Counsel, Treasury; Gilbert Casellas, Chairman of the Equal Opportunity Commission; and Alexis Herman, Assistant to the President and Director for Public Liaison, White House.

### \*\*\* Small Business Town Hall Meeting \*\*\*

Assistant Secretary for Management and CFO George Muñoz will host a town hall meeting for small businesses on **April 26, 1996**. The goal is to gather information about problems preventing small, minority and women-owned businesses from participating in the procurement programs of Treasury and other government agencies.

### \*\*\* PARTNERSHIPS '96 \*\*\*

On Monday, **April 29**, Treasury will sponsor its

third annual regional procurement conference, PARTNERSHIPS '96. We host this conference to expand procurement opportunities for small, minority and women-owned businesses. Treasury bureaus will offer procurements estimated at over \$1 million for ADP equipment/supplies, office supplies and other goods and services. Seminars will be presented on the following topics: preparing proposals, doing business with Treasury prime contractors (subcontracting and teaming efforts); fulfilling professional support service requirements; and, understanding Treasury streamlining initiatives. Information will also be available on a myriad of small business related topics including Treasury's Home Page on the World Wide Web, electronic registration with Treasury bureaus, tax information from the IRS Small Business Liaison Office, the Purchase Card Program, EC/EDI, and Treasury's Vendor Express Program.

## **TASK ORDER CONTRACTS**

*by Kevin Whitfield*

### **Definition of task order contract**

FAR now defines a task order contract as "a contract for services that does not procure or specify a firm quantity of services (other than a minimum or maximum quantity) and that provides for the issuance of orders for the performance of tasks during the period of the contract." A delivery order contract is defined in the same way, except that the word **supplies** is used instead of **services**.

### **Statutory Preference For Multiple Awards**

FAR now establishes a preference for making multiple awards of task order contracts under a single solicitation for the same or similar supplies or services to two or more sources. However, there are exceptions. Multiple awards should not be made if:

- \*More favorable terms would be provided if a single award were made.

- \*The cost of administration of multiple contracts would outweigh the benefits from making multiple awards.

- \*Tasks likely to be ordered are so integrally related that only a single contractor could reasonably perform the work.

- \*The total estimated value of the contract is less than

the simplified acquisition threshold.

- \*The CO determines that multiple awards would not be in the best interest of the Government.

### **Contents of Task Order Contracts**

The FAR now requires that the following be in each task order contract:

- \*The period of the contract, including the number of options and the period for which the contract may be extended.

- \*The total minimum and maximum quantity or dollar value of services to be acquired. (The contract may also specify minimum and maximum quantities the Government may order under each task.)

- \*A statement of work that reasonably describes the general scope, nature, complexity and purpose of the services.

- \*The procedures that will be used in issuing orders.

- \*If multiple awards are made, the selection criteria that will be used to provide a fair opportunity for each awardee to be considered for each order.

### **Placing Orders**

For the first time, the FAR details the procedures to be used when placing task orders. Some of the most important are:

- \*Oral proposals and streamlined ordering procedures are authorized.

- \*Oral orders may be used, but must be confirmed in writing.

- \*Ordering procedures need not comply with the competition requirements of FAR Part 6. For instance, the Government does not have to prepare formal evaluation plans for placing an order, nor perform scoring of quotes or offers.

- \*In the case of multiple awards, ordering procedures may be established that expressly authorize the Government **not** to contact every awardee prior to placing an order, so long as the CO has sufficient information available to ensure that each awardee is provided a fair opportunity to be considered for each order.

- \*Contractors may not protest the issuance or proposed issuance of a delivery order unless the order increases the scope of the contract, period of performance or value. Complaints from contractors are reviewed by each Bureau's task and delivery order ombudsman.



### **Small and Minority-Owned Business Considerations**

Care must be taken to insure that task order contracts are structured to maximize the opportunity for small and minority businesses to compete and win a fair share of the work. Some agencies, like the Department of Transportation are in the final source selection phase of a large task order contract for Information Technology Services where they obtained agreement from SBA to set aside at least one small business award and one 8(a) award in each of the three functional areas (IT services, IT systems security and IT facility management and maintenance). Then, individual task orders will be competed to all companies awarded within that function. This is a good example of an innovative approach to task order contracting that appears to be a win-win deal. This contract will be available for Treasury use. More on that in our next newsletter.

### **Treasury Task Order Contracts Success Stories**

The Financial Management Service (FMS) awarded a multiple-award task-order contract for financial consulting services in March 1994. John Connors, the Director of the Acquisition Management Division at FMS, published an article about the contract in the May, 1995 edition of Contract Management. Among the successes noted in the

article were cost savings of approximately \$2.3 million and reduced task order cycle times.

## **INDUSTRY INSIGHTS...**

### **Information Technology Buys**

*by Julie Hart*

A recent issue of CIO magazine published an article on reporting the results of a roundtable discussion among Chief Information Officers (CIO) and procurement experts in the private sector focused on the role of a CIO in today's ever-changing environment of information technology purchasing. Some of the topics were preferred vendor lists, benchmarking, decentralization, the role of advance acquisition planning in decreasing procurement lead time, and the role of the vendors.

To get your copy of the full article contact *Kay*

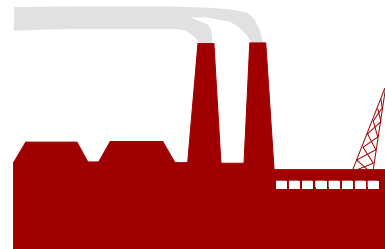
*Clarey* at 622-0192.

## **PMC BEST PRACTICES**

*by Angelie Jackson*

Last November, the President's Management Council (PMC) Procurement Task Force was chartered to foster a world class acquisition system by developing a consensus vision of procurement performance measurements and a plan to showcase "best practices" in the Federal Government. The Task Force will issue a "Resource Guide" in April that will include case studies from the IRS, BEP, FLETC and Treasury's Office of Small & Disadvantaged Business Utilization.

***Look for your next issue in May!***





## TREASURY PROCUREMENT ARTICLES

<b>TITLE</b>	<b>AUTHOR(S)</b>	<b>ORGANIZATIONS</b>	<b>PUBLICATION</b>
<b>TAI - A Success Story</b>	<b>Nick Nayak</b>	<b>Internal Revenue Service (IRS)</b>	<b>Continuous Journey (Winter 1996)</b>
<b>Oral Presentation Success Story at BEP</b>	<b>Carol Seegars</b>	<b>Bureau of Engraving and Printing</b>	<b>Contract Management (February 1996)</b>
<b>Oral Proposals Stream-line Task Orders at FMS</b>	<b>John Connors</b>	<b>Financial Management Service</b>	<b>Contract Management (January 1996)</b>
<b>Report on Procurement Reform Progress</b>	<b>Steve Kelman</b>	<b>Office of Federal Procurement Policy</b>	<b>Contract Management (November 1995)</b>
<b>City, State &amp; Federal Purchasers Take Charge</b>	<b>William Schuck Martha Lanigan</b>	<b>Government Procurement Magazine</b>	<b>Government Procurement (3rd Qtr 1995)</b>
<b>Use of Oral Presentations at the IRS</b>	<b>Pam Kitchens</b>	<b>IRS</b>	<b>Contract Management (October 1995)</b>
<b>Culture of Fear</b>	<b>Lisa Corbin</b>	<b>Government Executive Magazine</b>	<b>Government Executive (September 1995)</b>
<b>Reengineering the IRS Procurement Program</b>	<b>Greg Rothwell</b>	<b>IRS</b>	<b>SES Newsletter (August 1995)</b>
<b>Performance Based Contracting Case Study</b>	<b>John Richardson</b>	<b>FLETC</b>	<b>Contract Management (CM) (July 1995)</b>
<b>Treasury Purchase Card Program</b>	<b>Andrea Wood</b>	<b>U.S. Customs Service</b>	<b>Acquisition Reform Network (June 1995)</b>
<b>Performance Based Contracting for Services</b>	<b>John Richardson</b>	<b>FLETC</b>	<b>Acquisition Reform Network (June 1995)</b>
<b>Reinventing Procurement Performance Measures</b>	<b>Jim Fisher, Lori Byrd, Paul Lynch</b>	<b>Treasury, GSA and Transportation</b>	<b>NCMA Symposium (June 1995)</b>
<b>Fresh Approach to Financial Services Contracting</b>	<b>John Connors</b>	<b>Financial Management Service</b>	<b>CM (May 1995)</b>
<b>Returning to Reinvention</b>	<b>Bob Welch</b>	<b>Treasury</b>	<b>CM (May 1995)</b>
<b>TAI - A Training Center</b>	<b>Nick Nayak</b>	<b>IRS</b>	<b>CM (September 1994)</b>
<b>Reinventing Procurement</b>	<b>Bob Welch</b>	<b>Treasury</b>	<b>CM (September 1994)</b>
<b>Metrication: Past, Present and Future</b>	<b>Janice Hill</b>	<b>U.S. Customs Service</b>	<b>Global Trade Talk (July/August 1994)</b>
<b>Treasury Sends Procurement Force to School</b>	<b>Nick Nayak Tim Minahan</b>	<b>IRS; Government Computer News</b>	<b>Government Computer News (April 4, 1994)</b>